

MINUTE ITEM

8/8/66

15. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2199.1, SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., AND SHELL OIL COMPANY - W.O. 6211.

After consideration of Calendar Item 21 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., OPERATOR, AND SHELL OIL COMPANY, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2199.1 THROUGH APRIL 4, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 21 (1 page)

21.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 2199.1, SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., AND SHELL OIL COMPANY - W.O. 6211.

An application has been received from Standard Oil Company of California, Western Operations, Inc., and Shell Oil Company requesting a deferment of drilling requirements from October 4, 1966, to April 4, 1967, for State Oil and Gas Lease P.R.C. 2199.1, containing approximately 3,840 acres of tide and submerged lands in Santa Barbara County.

This lease was issued July 25, 1958, to Humble Oil & Refining Company and Standard Oil Company of California, pursuant to competitive public bidding, and currently is held by Standard Oil Company of California and Shell Oil Company, with Standard designated as operator.

Development of the lease has been conducted by Standard and, to date, includes a total of 10 wells. Six wells were drilled. Currently four wells are producing. Standard states that approximately \$7,420,393.00 has been expended for the drilling operations on the lease. The last such drilling operations were conducted on November 12, 1962.

Deferments of drilling requirements have been granted by the Commission since October 4, 1962, and extend through October 4, 1966.

Standard conducted a series of seismic surveys on the lease during late summer and early fall of 1965. They are currently evaluating the data resulting from the surveys, in conjunction with an evaluation study of the information obtained from a producing well drilled by Standard on the adjacent lease to the west. Standard feels that with more time for study of all data, further development of the structure involved may be attempted.

Standard's total drilling operations on the lease to date would cover the minimum drilling requirements under the term of the lease for a period terminating on April 13, 1968.

In conformance with current Commission practice of granting deferments for periods not in excess of six months,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., OPERATOR, AND SHELL OIL COMPANY, A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 2199.1 THROUGH APRIL 4, 1967, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.